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FISCAL IMPACT STATEMENT

LS 7009

BILL NUMBER: HB 1116

NOTE PREPARED: Jan 28, 2010

BILL AMENDED: Jan 28, 2010

SUBJECT: Worker's Compensation Doctor in Emergency.

FIRST AUTHOR: Rep. Moseley

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill provides that no employer or employer's insurance carrier shall delay the provision of medical care for worker's compensation injuries or occupational disease disablements whenever the delay may negatively impact the employee's medical outcome.

The bill increases civil penalties for failure to: (1) post certain notices; (2) file certain records; and (3) determine liability for claims in a timely manner.

The bill also permits the Worker's Compensation Board to request evidence of worker's compensation and occupational diseases compensation coverage from an employer. It establishes civil penalties for an employer's failure to provide proof of coverage.

The bill allows the Board, after notice and a hearing, to post on the Board's web site the name of an employer who fails or refuses to provide proof of coverage.

The bill requires that civil penalties be deposited in the Worker's Compensation Supplemental Administrative Fund, instead of the state General Fund.

Effective Date: July 1, 2010.

Explanation of State Expenditures: (Revised) The cost of posting the name of an employer who fails or refuses to provide proof of coverage to the Board would probably be minor.

The impact on the state of possible increased medical expenditures would be as an employer. In some cases

the provision could increase the medical cost to the employer, but it could also reduce the cost if immediate care prevented long-term disabilities.

Background: The state's expenditures for medical expenses for worker's compensation cases were about \$8.0 M in FY 2009, \$9.2 M for FY 2008, and \$8.6 M for FY 2007.

Explanation of State Revenues: (Revised) The bill would increase the civil penalties that the Board could assess. Currently, the Board can assess a penalty of \$50. If an employer fails to post certain notices, file certain records, or determine liability for claims in a timely manner, an employer can be assessed a civil penalty of \$50 for the first violation, \$150 for the second violation, and \$300 for the third and subsequent violations.

The bill provides that the Board can request proof of worker's compensation coverage. If the employer fails or refuses to provide current proof of coverage by the 7th day of the Board's request, the Board can assess a civil penalty of up to \$150. The penalty increases up to \$300 if the information is not provided within 14 days and \$1,000 if it is not provided to the Board by the 25th day after the request is made.

The penalties the Board may assess are currently deposited in the state General Fund. However, the bill would deposit the penalties in the Worker's Compensation Supplemental Administrative Fund. The Worker's Compensation Supplemental Administrative Fund is used to pay administrative costs of the Board. The reduction in General Fund revenue would depend on the number of penalties the Board might assess and is unknown.

Explanation of Local Expenditures: (Revised) The impact on local units of possible increased medical expenditures would be as an employer. In some cases the provision could increase the medical cost to the employer, but it could also reduce the cost if immediate care prevented long-term disabilities

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected: All.

Information Sources: Auditors databases.

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